

Australian Energy Market Operator

Apparent breach of Retail Market Procedures (WA) 84, 252(1)(c), 252(2), 286, 287(1), 288(1), 299(1), 300(1), 300(2)(a) and 300(2)(f) by AEMO on gas day 24/01/2017

Overview:

On 25/01/2017, GRMS calculation processing failed for gas day 24/01/2017. This was caused by a MIRN transfer request submitted by a Retailer for which the Retailer was not registered as a Shipper on the sub-network. This resulted in the delay of the delivery of a number of reports for gas day 24/01/2017 by 2 hours and 55 minutes. This appears to be a breach of clause 252(1)(c), 252(2), 286, 287(1), 288(1), 299(1), 300(1), 300(2)(a) and 300(2)(f) of the WA Retail Market Procedures ("Procedures") by AEMO.

AEMO appears to have breached clause 84 of the Procedures as AEMO did not reject the invalid transfer request submitted by the Retailer (on the basis that the transfer request was invalid as it did not meet the requirement of clause 83(j) of the Procedures).

Clauses 83(j), 84, 252(1)(c), 252(2), 286, 287(1), 288(1), 299(1), 300(1), 300(2)(a) and 300(2)(f) of the Procedures reads as follows:

83. Requirements for valid transfer request

A transfer request is valid only if:

.....

(j) the user has a contract with a shipper for the haulage of gas to that delivery point.

84. If transfer request is not valid

Upon receipt of a transfer request which is not valid, AEMO must immediately:

(a) reject the transfer request; and

(b) notify the incoming user that the transfer request has been rejected and provide the reason why the transfer request is not valid.

{Note: An *incoming user* wishing to reinitiate a *requested transfer* that has been rejected must lodge a new *transfer request*.}

252. Hourly gate point apportionments

(1) For each user for each sub-network for each gas day, within 5.5 hours after the end of the gas day, AEMO must calculate, and advise the user of the user's hourly sub-network apportionment as follows:

.....

(c) then, for each hour in the gas day calculate the user's hourly (non-swing) sub-network apportionment for the sub-network as follows:

.....

252. Hourly gate point apportionments

.....

(2) For each shipper or swing service provider (as applicable) for each gate point for each gas day, within 5.5 hours after the end of the gas day, AEMO must calculate, and advise the shipper or swing service provider (as applicable) and the pipeline operator of, the shipper's hourly gate point apportionment as follows:

.....

286. AEMO to publish bid stack

For each gate point, AEMO must make available the bid stack to users and swing service providers within 5 hours after the end of the gas day, setting out for each bid the volume and price of the bid but not the identity of the swing service provider who lodged the bid.

287. Determine marginal clearing price for total amount of swing service to be procured through applicable bid-stack

(1) For each gate point for each gas day, within 5 hours after the end of the gas day, AEMO must determine in accordance with clause 287(2), and publish to users and swing service providers, the marginal clearing price for the total amount of swing service to be procured through the applicable bid stack ("MCP(TSS(BS))"), which is expressed in cents, up to three decimal places, per megajoule.

288. Determine marginal clearing price for adjusted non-user-specific amounts of swing service

(1) For each gate point for each gas day, within 5 hours after the end of the gas day, AEMO must determine in accordance with clause 288(2), and publish to users and swing service providers, the marginal clearing price for the total of all adjusted non-user-specific amounts of swing service ("MCP(ANUSA)"), which is expressed in cents, up to three decimal places, per megajoule.

299. Calculation of swing service repayment quantities

(1) AEMO must, by 5 hours after the end of gas day D determine under clause 299(2), and notify the user and the swing service provider and the swing service provider of last resort of, the swing service repayment quantity ("SRQ") for each swing service provider and swing service provider of last resort that must repay swing service on gas day D+2 on the user's behalf.

300. Notification of swing service data

(1) For each gas day for each gate point, AEMO must within 5 hours after the end of the gas day notify the pipeline operator, users and their related shippers and the network operator of the swing service for the gate point calculated under clause 256.

300. Notification of swing service data

(2) For each user for each gas day for each gate point, AEMO must within 5 hours after the end of the gas day notify the user of:

(a) the user's total (pre-procurement) swing service (USS) for the gate point for the gas day calculated under clause 262;

.....

300. Notification of swing service data

(2) For each user for each gas day for each gate point, AEMO must within 5 hours after the end of the gas day notify the user of:

.....

(f) the sum across all users of the absolute value of each user's user's estimated total withdrawal for the sub-network for the gas day;

.....

Impact:

The delivery of the below market reports for gas day 24/01/2017 were delayed by 2 hours and 55 minutes:

- UHSA report
- SHGA report
- BID-PUB report
- MCP-TSS report
- MCP-TANUSA report
- SRQ report
- SS report
- USS report
- UETW report

Resolution:

AEMO sent a notification to the WA market participants at 1.41pm on 25/01/2017 that the market reports for gas day 24/01/2017 were inaccurate.

AEMO manually error corrected the MIRN transfer request submitted by the Retailer and re-ran calculations to obtain correct reports.

The incident was fully resolved by 5pm and AEMO sent a notification to the WA market participants at 5.10pm confirming that the incident was resolved and the market reports were published with the correct data.

Proposed Further Actions:

AEMO to consult with WA market participants on the mechanism for validating transfer request transactions for MIRNs on the uncovered sub-networks.

Invitation for submissions:

Before determining whether any further action is required, AEMO invites written submissions from participants as to:

- the effect that this incident has on their operations, and
- their view with regard to the determination, if any, AEMO should make under clause 329 of the Procedures in respect of the apparent breaches of the Retail Market Procedures.

Submissions are requested by no later than 5:00pm (AEST) **Thursday 23 February 2017**.
Submissions should be sent by e-mail to rmo@aemo.com.au.

Alternatively, submissions can be sent by post to AEMO at:

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AEMO
GPO Box 2008
Melbourne
VIC 3001

If you have any questions regarding this matter, please contact Carol Poon on (03) 9609 8509.

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